

## THE FEDERAL ROLE: A CHILD ADVOCATE'S VIEW\*

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**T**HIS MORNING I HAVE BEEN ASKED to present a child advocate's view of the federal role in child health. Since Congressman Waxman, who I am filling in for, has done a lot to improve child health in this country, I do not think that he would mind this perspective.

An expanded federal role is critical to improving the health status of children in the United States, and in urban areas such as New York City. To improve child health in New York City we need: improvements in the economic status of families to alleviate poverty; improvements in the environment in which children and families live (especially improvements in housing); and improvements in the health service system, including improved access and expanded availability of high quality comprehensive services.

The federal government has a role in each of these areas and I believe that it should be doing a lot more. I will discuss the substantial but inadequate role that the federal government plays in financing child health services in New York City, document the decline in federal spending on child health and related services, and outline what advocates should push the federal government to do for children.

First, I shall briefly review the situation regarding child health status and services in New York City. In New York City 60% of children live in families that are either poor or near-poor, with family income below 200% of the poverty level. The health status of children is poor, reflecting the problems of old and new morbidity.

We have a large number of health services. About 50 voluntary hospitals, 11 municipal hospitals and related satellite centers, 16 community health centers, and 52 child health clinics all provide ambulatory care services to poor and near-poor children. We also have an unknown number of storefront and private physicians' offices providing care to children on Medicaid.

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But while we have a vast service system, we have an insufficient number of services to meet basic needs for ambulatory care for poor children. We also have inadequate quality in some settings. Services are not organized to provide what children and families need: an ongoing relationship with a doctor or nurse who knows their names and who can provide access to the full range of health and mental health services in a coordinated fashion.

What is spent on this child health system in New York City? An analysis of public expenditures on child health in New York City that flow through city agencies showed that \$1,286 billion were spent on child health services in New York City during 1988.<sup>1</sup> This does not include private sector spending or dollars from the state or federal government that go directly to nonpublic agencies for programs such as voluntary hospital or community health centers.

Of the \$1,286 billion, the city contributed \$509 million or 40%, the federal government contributed \$435 million or 34%, and the state government contributed \$343 million or 27%. This by itself seems to demonstrate that the federal government makes a major contribution to child health in the city.

Medicaid is by far the largest child health program nationally and in New York City. In 1988 58% of the child health budget or about \$750 million dollars was spent on the Medicaid program for children in New York City. The federal government pays 50% of the costs of the program. Eighty-six percent of all federal spending on child health in New York City goes toward this one program.

Spending by all levels of government on Medicaid, and certainly by the federal government, is substantial. The federal contribution has assured access to services for about 848,000 children in New York City this year, or about 42% of all New York City children.

Although Medicaid provides access to services, it does little to ensure provision of high quality services. Even if we used current Medicaid expenditures for children to build some form of a national health program for all, or just for children, we would still need additional resources to build an infrastructure of high quality child health services, and additional federal resources are critical to this effort. When we look at spending on the infrastructure, we can see that the federal government has assisted the city but has not made a major contribution. Only 14% of all federal dollars goes to non-Medicaid child health programs.

These programs include the Maternal and Child Health (MCH) Block Grant, Community Health Centers, and immunizations. The MCH Block Grant program funds are used to provide 27,000 women with prenatal and family planning services and 35,000 children with primary care services at the Pediatric Resource Centers, the New York City version of what used to be

Children and Youth Projects. Total spending in New York State was \$40 million in 1990, New York City getting about 57% of the amount. Nationally, the current funding for the MCH Block Grant is well below the full authorization level. New York State gets the largest share of the MCH Block Grant compared with other states but funding levels have barely kept pace with inflation.

A second critical source of federal support in New York City is dollars for Community Health Centers. \$21.4 million were allocated to 16 community health care centers in New York City in fiscal 1989. Children accounted for more than 117,000, or 51% of the registered users of these centers. Pregnant women are also users of these sites. Again, federal funding is small compared to the need.

Immunization dollars from the federal government are critical to pay for vaccines used in public clinics and hospitals. In our child health budget about \$1 million was contributed for this program. A major factor contributing to the current measles crisis in NYC is the lack of federal support for vaccines.

Thus, the federal role is substantial but inadequate. It is not that the federal government spends too much on Medicaid, but that it does not spend enough on other very needed child health programs. Interestingly enough, federal funding for CHAMPUS, the health insurance program paid for by the Defense Department, is the second largest federal program for children's health care after Medicaid, larger than federal support for the MCH Block Grant and for community health centers.<sup>2</sup> Thus, the federal government can provide when it considers it a priority.

Unfortunately, the federal government has also reduced its role in child health and related programs in New York City. Medicaid spending declined by \$238 million between 1981 and 1990 in New York City; federal aid accounted for 17.9% of the New York City budget in 1981 and 9.3% in 1990; the cumulative loss in federal aid to the city's expense budget between 1981 and 1990 adjusted for inflation is \$7.6 billion (the cumulative loss in housing programs was \$17.5 billion); and if 1981 levels of federal aid had continued at the same level into 1990, New York City would have received \$1.2 billion more in its expense budget.<sup>3</sup>

So what can advocates do? Push aggressively for the federal government to contribute more to child health, to children in general, and to our cities, where many poor children live. The federal government cannot do it all, but it does have the largest tax base and it can equalize economic differences among states.

What is needed from the federal government has been stated already at this conference. First, it should develop a national health insurance program for all, or an insurance program for pregnant women and children, or continue to

expand Medicaid. New York City and other cities in fiscal crisis would like Congress to pass legislation introduced by Congressman Waxman that would have the federal government pay more than 50% of the costs. Second, it must increase the supply of health professionals through continued expansion of the national health service corps. Third, it should expand funding for children's programs that work. If the federal government were to expand its contribution to the MCH Block grant and Community Health Centers, we could build critically needed health centers. Also critically needed are expansions in immunizations, family planning and expansion of the Women, Infant and Children program. Fourth, we need renewed federal attention to housing, the environment, and the economic well-being of families. Senator Kennedy incorporated many of these improvements into a social security package for children. He says that it would cost six days of the Defense Department's budget to pay the federal share of this program.<sup>4</sup>

To echo what others have said, we know what to do to improve the lives of children and how to do it. What is needed is the will and sustained commitment. If the federal government has managed to find substantial amounts of money to bail out failed savings and loans, and substantial amounts of money to liberate Kuwait, certainly it can find substantial resources to provide for the adequate health of our children.

#### REFERENCES

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